

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

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**November 5, 2002**

**FROM: THOMAS R. LAURIN, DIRECTOR  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SUBJECT: HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM AGREEMENT  
WITH SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION  
OF RIVERSIDE (SCHDCR) AND MALVERN HOUSING PARTNERS, L.P.  
(MHP), "HERITAGE POINTE SENIOR APARTMENTS" - RANCHO  
CUCAMONGA**

**RECOMMENDATION:**

- 1) Approve Home Investment Partnership (HOME) Program Agreement with SCHDCR, a Community Housing Development Organization (CHDO), and MHP for an affordable housing new construction project (Heritage Pointe Senior Apartments) Rancho Cucamonga in a total amount not to exceed \$400,000; and,
- 2) Authorize disbursement of HOME Program funds to SCHDCR in accordance with the Agreement, in a total amount not to exceed \$400,000.
- 3) Direct Clerk of the Board to attest to the Chairman's signature for future recording of the HOME Agreement upon the close of escrow.

**BACKGROUND INFORMATION:** The Board of Supervisors authorizes the use of HOME funds for the acquisition, rehabilitation, and/or new construction of affordable housing pursuant to the federal HOME Program, which is administered by the Department of Economic and Community Development (ECD) for the County's unincorporated area and consortium member cities within the geographical boundary of San Bernardino County.

This action will approve an agreement with SCHDCR, the Borrower and general manager for the project, to construct a 49 unit affordable rental housing complex in Rancho Cucamonga, "Heritage Pointe Senior Apartments". This action will authorize disbursement of HOME Program funds in an amount not to exceed \$400,000 to SCHDCR, for development of the affordable rental housing project, "Heritage Pointe Senior Apartments" (HPSA) located at 8590 Malvern Avenue in Rancho Cucamonga.

Construction financing for this project will consist of an \$850,000 construction loan from Washington Mutual Bank, a \$3,920,000 loan from the Redevelopment Agency of the City of Rancho Cucamonga and \$649,350 in Low Income Housing Tax Credits, and County HOME loan in the amount of \$400,000. Total construction financing is \$5,819,350.

Record of Action of the Board of Supervisors

**HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM AGREEMENT WITH  
SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION OF RIVERSIDE AND  
MALVERN HOUSING PARTNERS, L.P. - "HERITAGE POINTE SENIOR APARTMENTS" -  
RANCHO CUCAMONGA**

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Permanent financing for the project will consist of a loan in the amount of \$350,000 from Washington Mutual Bank, a loan in the amount of \$3,920,000 from the Redevelopment Agency of the City of Rancho Cucamonga, a \$400,000 County of San Bernardino HOME Program loan and Low Income Housing Tax Credits (net tax investor equity) in the amount of \$1,443,000. The total project costs, including all developer fees, rent-up costs/reserves and financing costs are \$6,113,000.

The County HOME loan will be secured by a Deed of Trust in which the County will be in 2<sup>nd</sup> position. The term of the loan is 20 years, at 3% interest. Loan payments for the first five (5) years are deferred and repayment is amortized over 20 years. The County may extend the repayment deferral period for additional five (5) year periods, or portions thereof, if all terms and conditions set forth in this Agreement are met. The entire loan may be forgiven if all terms and conditions set forth in said Agreement are met for the entire 20-year loan period.

This project provides for the construction of 49 one-bedroom senior units, with a unit size of 533 square feet. This project will improve the surrounding neighborhood, make available 49 new one-bedroom affordable rental housing units to lower income seniors in Rancho Cucamonga, and will help to address the critical need for senior housing in Rancho Cucamonga. HOME funds will make eleven (11) one-bedroom units affordable and available to very-low income senior residents earning 50% or less of the area median income (AMI). All other units will be available to residents earning 60% or less of the AMI. The units will remain affordable for a period of fifty-five (55) years from completion of the project. The City of Rancho Cucamonga has endorsed the use of HOME funds to support this project.

This project meets HOME Program Regulations and is consistent with the housing needs as identified in the County of San Bernardino's Consolidated Plan. Approval of the HOME Loan Agreement will permit staff to complete the loan process and disburse funds at such time as the funds are needed.

**REVIEW BY OTHERS:** The HOME Loan Agreement and related loan documents were reviewed and approved by Deputy County Counsel, Michelle D. Blakemore, on October 7, 2002; the Department of Economic and Community Development's Contract Compliance Designee, David Larsen, on October 7, 2002; and the County Administrative Office, Patricia M. Cole, Administrative Analyst III on October 10, 2002.

**FINANCIAL IMPACT:** Funds have been budgeted in the Department's HOME Program budget, SAS/ECD. This action has no effect on the Community Development Block Grant or the County General Fund.

**SUPERVISORIAL DISTRICT(S):** 2<sup>nd</sup>.

**PRESENTER:** Thomas R. Laurin, Director, 388-0808.

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